

## THE “PETROL STATION” BUSINESS

“My wife always complains that  
I don’t take her anywhere expensive...  
So I take her to a gas [petrol] station.”  
--Unknown--

A filling station is a facility from which fuel, lubricants and other products for motor vehicles are sold. Most common of fuels sold are:

- **Gasoline**, which is generally referred to as *gas* in the U.S. and Canada, or *petrol* in most other countries. In the Nigerian industry it is known as **Premium Motor Spirit (PMS)**.
- **Diesel**, which is known in the Nigerian industry as **Automotive Gas Oil (AGO)**.
- **Kerosene**, which is often known in the Nigerian industry as **Household Kerosene (HHK)**. It is not uncommon in this country for HHK to be erroneously called **DPK (Dual Purpose Kerosene)**, wrongly inferring that the kerosene can be used as **Jet Fuel**. Jet Fuel is never sold at regular filling stations, but at aviation facilities.
- **Electric Energy**, which is much less common and is as yet virtually unknown in Nigeria. A filling station that sells only electric energy is known as a **Charging Station**, and serves to recharge **electric or hybrid cars**.

A typical filling station can also be known as a **fuelling station, garage** (South Africa and United Kingdom), **gasbar** (Canada), **gas station** (United States and Canada), **petrol pump** or **petrol bunk** (India), **petrol station** or **petrol garage** (Nigeria, Australia, Hong Kong, Ireland, Malaysia, New Zealand, Singapore, South Africa and the United Kingdom), **service station** (Australia, New Zealand and United Kingdom) etc.

Fuel retail outlets can be subdivided into three main categories viz.:

**Filling station:** Facility where the sale of motor fuel is the main business. Limited repair services are also provided.

**Garages:** Facility where repairs or rebuilding of motor vehicles are carried out and may also hold an agency for an automobile manufacturer. Sales of petrol may represent a minor portion of the business.

**Service Station:** Establishment that sells motor fuel and also provides facilities for servicing vehicles and minor running repairs. Other services like convenience stores may also be provided.

Filling stations traditionally sell petrol, diesel fuel and kerosene. All of these fuel types are stored in underground tanks. The majority of filling stations sell petrol, kerosene and diesel, but there are stations that sell diesel only.

## PLANNING AND LOCATION OF PETROL FILLING STATIONS

- Stations should be located at a minimum of 500 ft. from any public institution such as schools, churches, public libraries, auditoriums, hospitals, public playgrounds, etc.
- Area of land to be developed should be sufficient to allow maneuvering of vehicles within its cartilage.
- Filling Stations should not be sighted in any area where the traffic situation is such that it will cause obstructions in entering or leaving a station, or on tight curves where visibility is not adequate.
- Vehicular access/egress/crossover should be reasonably safe with adequate approach distances especially where main roads and intersections are involved.
- Wherever possible, stations should be erected on level rather than sloping site to prevent rolling or discarded materials such as cans, drums, etc.
- When sited in shopping centers, stations should be located in an isolated area of the development as long as planning criteria are met, example, set back.
- All service areas should be paved to avoid dust nuisance.
- Signs should be located so as not to reflect the sun into the face of motorists and should be large enough so that they can be seen from a reasonable distance at a reasonable speed.
- Stations must be provided with fire-fighting and fire protection equipment.
- Proper facilities for storage and disposal of used and waste oil and gas must be provided.
- Wastewater from the washing of motor vehicles et cetera and sewage disposal should be properly managed.
- Fuel should be stored in double walled container to minimize leakage and prevent contamination of ground water.

## DPR GUIDELINES FOR APPROVAL TO CONSTRUCT AND OPERATE PETROLEUM PRODUCTS FILLING STATION

The operation of a Filling Station is a lucrative, though capital intensive, business. Below are the guidelines and requirements for owning and operating one.

Procedure and conditions for granting approval for the construction and operation of Petrol Station; these guidelines are in compliance with Petroleum Amendment decree no. 37 of 1977 safety rules and regulations.

- 1. SUITABILITY INSPECTION:** The intending Marketer should submit an application to DPR for site suitability inspection. The inspection shall among others issues report on the following basic requirements:

- i. Size of the proposed land site.
- ii. The site does not lie within pipeline or PHCN high-tension cable Right Of Way (ROW).
- iii. The distance from the edge of the road to the nearest pump will not be less than 15 meters.
- iv. Total number of petrol stations within 2km stretch of the site on both sides of the road will not be more than four including the one under consideration.
- v. The distance between an existing station and the proposed one will not be less than 400 (four hundred) meters.
- vi. The drainage from the site will not go into a stream or river.
- vii. In some instances where site is along Federal Highway, a letter of consent from the Federal Highway is required.
- viii. DPR guided/supervised EIA study of the site by DPR accredited consultant.

## 2. APPROVAL TO CONSTRUCT

If suitability report on the above preliminary issues is favorable, the under-listed documents shall be required for submission to DPR for review without any obligation on DPR to grant ATC if any negative change to the suitability situation of the site occurs before the grant.

### DOCUMENTS REQUIRED

- a. Application letter addressed to the Operations Controller of the DPR Zonal/Field office nearest to where the location of the proposed station site.
  - b. Two (2) photocopies of Certificate of Incorporation.
  - c. Two (2) photocopies of Memorandum and Article of Association.
  - d. Two (2) photocopies of Current tax clearance.
  - e. Original and photocopy of Police report.
  - f. Original and photocopy of Fire report and Certificate.
  - g. Two (2) original copies of Approved building plan.
  - h. Two (2) photocopies of letter from Land & Survey.
  - i. Two (2) photocopies of Deed of conveyance.
  - j. Environmental Impact Assessment (EIA) report for underground storage tank capacities greater than 270,000 litres.
- ii. After “Approval to Construct” is granted, it is mandatory that some meaningful development be made on site within three (3) months from the date approval was granted. The approval expires if no development commences within the time frame.
  - iii. A Signpost should be installed on site immediately after approval to construct is granted. The signpost should indicate the name of the company and the reference number of the approval letter.
  - iv. Companies involved in building of Petrol Stations, construction and

fabrication of U/G storage tanks and canopies shall have DPR Permit to operate as Oil Industry Service Company.

### **3. STORAGE AND SALES LICENSE TO OPERATE A PETROL STATION**

After ATC and the construction of the station during which it is mandatory to invite officer(s) of DPR to witness the burial and Pressure/Leak test of the U/G tanks, an application for storage and sales license to operate the station must be obtained.

The following requirements must be met:

#### **REQUIREMENTS FOR ISSUANCE OF STORAGE AND SALES LICENCE**

The following conditions must be met before storage and sales license can be granted.

- i. A minimum of three (3) underground storage tanks (one each for PMS, DPK, and AGO.)
- ii. A minimum of three (3) dispensing pumps (one each for PMS, HHK and AGO)
- iii. Office building: Two (2) offices, sales room, and toilet, lube bay/store (optional).
- iv. Well-concreted forecourt, "IN/OUT" driveway inclusive.
- v. Wall-fence demarcating the station perimeter (minimum height of 1.5m high).
- vi. Good drainage network.
- vii. Safety facilities to include: fire extinguishers, sand-buckets, and strategic display of "NO SMOKING" warning signs.
- viii. Station Sign post/logo of company/outlet.
- ix. Standard canopy over PMS pumps (mandatory) with company name and logo boldly written.
- x. Standby electricity generator.
- xi. Accessible potable water source.
- xii. Standard (51" x 30") price billboard with adjustable price mechanism.

#### **DOCUMENTS REQUIRED**

1. Products U/G tanks pressure test report/certificate and leak detection test result (original printout).
2. Photographs of the station 8" X 10" (not computer generated photographs) taken from different angles such that driveways in/out pumps and other facilities are clearly shown.
3. Current fire certificate and an application form with a bank draft attached (amount depends on storage capacity).

4. Evidence of trained attendants.
5. Application letter addressed to:

**The Operations Controller,  
Department of Petroleum Resources**

#### **4. TAKE-OVER OF PETROL STATION**

The above requirements and documents are also applicable for a takeover station in addition to the following:

##### **DOCUMENTS REQUIRED FOR TAKE-OVER OF STATIONS**

- i. Two (2) photocopies of Certificate of Incorporation
- ii. Two (2) photocopies of Memorandum & Article of Association
- iii. Two (2) photocopies of Current tax clearance
- iv. Original and photocopy of Current Fire Service report and certificate
- v. Two (2) original copies of approved building plan.
- vi. Original copy of previous storage and sales license.
- vii. Pressure test certificate/report & leak detection print out (original & photocopy).
- viii. Evidence of trained pump attendants (original & photocopy).
- ix. Completed application form with Bank draft depending on the total storage.
- x. Capacity applied for.
- xi. Receipt of purchase (if it is not an outright purchase, Management Agreement).
- xii. Release/Takeover letter on company's letterhead.
- xiii. Station's photographs taken from different angles showing the followings:
  - a. Station's name
  - b. A fire extinguishers & a sand-bucket on each dispensing pump island.
  - (c) Price bill board measuring 51" by 30" with fonts size 6" by 3"
  - (d) Clearly demarcated drive IN/OUT Ways
  - (e) "NO SMOKING" signs conspicuously displayed in the station.

**Where photocopies of documents are required, the originals should be tendered for sighting and returned to applicant.**

## 5.0 REQUIREMENTS TO OPERATE A PETROL FILLING STATION

In addition to the major requirements on the “Approval to Operate Filling Station” issued along with the maiden license of a station, the following are also mandatory:

- i. Functional fire fighting gadgets must be kept handy and at ready.
- ii. Ensure that a station Manager/Supervisor is always at the station.
- iii. Always make available alternative sources of power to operate products pumps and adequately illuminate of the station.
- iv. Price-regulated products are sold at prevailing government-approved prices.
- v. Products pumps accurately dispense and display of volume and price.
- vi. Pump attendants trained and dressed in appropriate safety gear.
- vii. Ensure that vehicle engines are switched off before fueling.
- viii. Strategic and conspicuous display of warning signs on “NO SMOKING and NO USE OF CELLPHONES” within the station.
- ix. Stations should always maintain good housekeeping.
- x. Tanker trucks are earthed before starting (and throughout) products discharge.
- xi. A copy of every waybill for products on sale shall have to be available at the station at all times.
- xii. Products in tanker trucks to be discharged into storage tanks shall have to be allowed to settle for at least two (2) hours while in the station before the discharge.
- xiii. Display of current Storage and Sales License in the station’s office at all times.
- xiv. Availability of DPR inspections log book in the station at all times.
- xv. Unrestricted access to DPR officials to carry out statutory functions in the station.



**DEPARTMENT OF PETROLEUM RESOURCES (DPR) APPLICATION FOR STORAGE/SALES LICENCE ONLY**

SECTION A:

1. Name of Applicant/Company:

.....

2. Registered Address in Nigeria:

.....

3. Location Address for the storage of product(s):

.....

(a) Town and Street

Number.....

(b) State: ..... Local Govt. Area:

.....

4. Type of license required: Please TICK ONLY ONE (a, b, c or d)

a. Industrial Consumer (Storage only) (Category I)

b. Petrol Station, Petroleum Products Depot (Category II)

c. Kerosene (House-Hold) (Category III)

d. Liquefied Petroleum Gas (Cooking Gas) (Category IV)

5. State whether application is for a NEW License or RENEWAL License, and the corresponding year(s) the license is required:

.....

If RENEWAL, please attach photocopy of the expiring license

If NEW, attach photocopy of approval letter from the DPR (Ref.SEC.A: 4; a, b & d)

6. Storage Capacity:

LPG (Cooking Gas) .....  
(Kg)

OTHERS

.....(Lit/Kg)

PMS (Petrol).....  
(Litres)

AGO (Diesel)..... (Litres)

Fuel Oil ..... (Litres)

Lube Oil/Grease .....  
(Lit/kg)

Kerosene: ..... (Litres)

Kerosene: ..... (Tin)

7. Type of Receptacle/Storage: (TICK AS APPLICABLE)

(i) Underground Tank

(iii) Cylinder

(v) Tins

(ii) Drums

(iv) Surface Tank

(vi) Carton-packed

8. Has the Petroleum Station's Draft Management Agreement been verified or endorsed by the DPR? YES/NO or Not Applicable

9. Fee Paid (.....)/Words

.....  
Bank draft No ..... Date

.....  
I/We hereby certify that all the information contained in this application and supporting documents are to the best of my/our knowledge, correct.

.....

.....

.....  
Name

Signature

Date

nigeriaheartbeat.com



**SECTION B:**

10. TO BE COMPLETED BY THE SPONSORING MARKETING COMPANY ONLY

**Name of Sponsoring Marketing Company:** .....

INDEPENDENT MARKETER'S NUMBER (If applicable).....

NOTE

- a. Where an applicant obtains product(s) from more than one company, applications should be channeled through ONLY ONE Company.
- b. Application not properly filled will be rejected and fees in respect of such rejected application will neither be refunded nor transferred on to any other application
- c. An application must be submitted in respect of only ONE Category (See Item No.4 Section A)
- d. Bank Draft (MICRO-DRAFT) to be made payable to the: "FEDERAL GOVERNMENT OF NIGERIA / DPR Fees Account". (DO NOT write "FGN" please).
- e. Whereas Pressure Test Certificate and Report are required ensure that duly signed ORIGINAL CERTIFICATE are forwarded to LAGOS through respective zonal office of the DEPARTMENT OF PETROLEUM RESOURCES (DPR).

We hereby UNDERTAKE to **sponsor** this application for the grant of license to store and/or sell petroleum products in accordance with the conditions prescribed in the "Petroleum Regulations 1969". (Petroleum Decree 1969).

.....  
.....  
Name & Signature of Authorizing  
Company Official

Company's Official Stamp & Date

**SECTION C:**

A. Bank Draft reference No ..... Amount Paid  
(N.....)

.....	.....		
.....			
Receipt Number Stamp	Name & Signature of Receiving Officer	Date &	

B. Recommendation of DPR Officer

.....  
C. Licence Number ..... Date

.....

.....  
Signature & Name of DPR Officer      Date      Station  
Date

DEPARTMENT OF PETROLEUM RESOURCES

nigeriaheartbeat.com